

December 7, 1960

INDICATIONS FROM GERMANY ABOUT A FIRST STAGE OF A COMPROMISE RESULTING
BETWEEN MERTEN AND GREEK PERSONALITIES ACCUSED BY HIM.

1. For some days now there have been indications and reports among the top circles of the newspaper Athinaiki - which circles have been inciting the rekindling of the MERTEN charges in Germany against KARAMANLIS-MAKRIS-DOXOULA-THEMELIS through the pertinent lawsuit which BAKLATZIS filed against MERTEN - that there has come about - at first - some kind of temporary compromise among the above plaintiffs and this is the reason why MERTENS' silence and inactivity has been noted during the present stage of the affair. These indications are as follows:

a. The prominent law office of the eminent lawyer SEGELKEN is handling the case of BAKLATZIS' lawsuit against MERTEN and the German publications Der Spiegel and Hamburger Echo in Hamburg, Germany. But as it is known, from my previous report, BAKLATZIS' lawsuit in a lower court was thrown out by the District Attorney of Hamburg because it was not to BAKLATZIS' legal advantage *right* to file this.

b. SEGELKEN notified BAKLATZIS (located in Athens) that an appeal could be made against the District Attorney's decision but there were only slight hopes that the appeal would be taken into consideration. BAKLATZIS insisted to exercise the right to appeal even if this was going to be rejected. Therefore the right to appeal was exercised at the Court of Appeals of Hamburg in order to incite the affair and to keep it alive.

c. During these understandings (telephone and correspondence) between SEGELKEN and BAKLATZIS on the question to exercise the right to appeal or not, in which the German correspondent of Athinaiki, NIKOLAIDIS, also took an important part, the following interesting confidential indications were communicated to BAKLATZIS by SEGELKEN and NIKOLAIDIS:

I. That the German government had exerted strong pressure upon the court officials of Hamburg so that a way could be found to throw out or set aside BAKLATZIS' lawsuit. That the leadership of the Socialist-Democratic Party of Germany and especially Berlin Mayor Willy BRANDT, who had visited Athens a few weeks ago, had also exerted similar pressure upon MERTEN that he shut his mouth for a while and that he come to some compromise with the accused.

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II. That there was some understanding between the Hamburg District Attorney and MERTEN that MERTEN file a lawsuit for perjury against DOXOULA MAKRI so that - after this had been done - the Hamburg District Attorney, fortified behind formal legal procedures and far-fetched interpretations of pertinent penal provisos, could throw out the BAKLATZIS lawsuit by threatening MERTEN that - in a contrary situation - he would bring him before a regular hearing and trial. After the above MERTEN-DISTRICT ATTORNEY negotiations, MERTEN filed the suit against DOXOULA, on whom a hearing is already being held by the Greek court, and the Hamburg District Attorney threw out the BAKLATZIS lawsuit.

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III. Parallel to this, Greek Justice, being aware of the machinations going on over a compromise, did not proceed to take any steps to German Justice for the examination of the accusers being sued by MAKRIS and THEMELIS, that is, MERTEN, the responsables of the German publications and their witnesses proposed by them, because there is no desire for a trial, even in Greece, against MERTEN and his accomplices over the lawsuits, supposedly, which MAKRIS-THEMELIS filed merely for the eyes of the world. Furthermore it was made known that MERTEN had promised not to appear before any German or Greek interrogator for questioning if a final compromise is reached.

which are IV. Besides all the above behind-the-scenes official actions, Messrs GERTSOS and KONIORDOS, well-known economic collaborators of the Germans during the Occupation who became rich by their collaborations, were sent some weeks ago to Germany on behalf of the accused Greeks. Both of these men are personal friends of the KARAMANLIS clan and the first one is reported as building a luxurious villa at Montreux, Switzerland for KARAMANLIS (see my other report). KONIORDOS, one of the KONIORDOS brothers, is a beverage industrialist who during the Occupation stole the current production of the Peloponese together with the Germans, turned it into cognac, etc. for the Germans, and send it all to Germany for the needs of the army and the people; he made huge sums of money from this collaboration which he surely divided with top German officials of the Occupation.

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V. The above economic collaborators and now financiers of the KARAMANLIS clan came to extensive agreements in Germany with MERTEN mainly and they discussed the terms of the compromise which MERTEN puts down. The first stage of an agreement resulted and the sum of about 100.000 dollars was payed to MERTEN mainly from KONIORDOS; other assurances were also given to him about a review of his sentence with the intervention and strong support of the Greek government also. Thus MERTEN'S present inactivity was secured. But there is information that the money demanded by MERTEN and his accomplices, the directors of the German publications, is much more and that is why a final agreement has not been reached yet and it is not excluded that this affair may be started up again in case all the demands of the German accusers are not satisfied and the process to review MERTEN'S conviction, to which MERTEN attaches special importance, is not started. In the meantime there are indications that middle-men GERTSOS and KONIORDOS are having difficulties finding and disposing the necessary extra amount of money for bribery and compromise which, it seems, is quite large. Naturally the visible and invisible forces of opposition against the Government are working real hard for the MERTEN affair to flare up again and the most important work is being directed to the magazine Der Spiegel so that this magazine will start its articles again against the Greek personalities in question.

VI. Of course it is self-explanatory that - if a final compromise is reached because of the payment of all the required money and Spiegel's silence is ensured - then all lawsuits filed on both sides will be covered up with various excuses and no trial will be held, either in Greece or in Germany.

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d. The above reports appear to be true in connection with the wilfull silence marked several weeks ago by the former crowing German accusers, but also in connection with the audacious announcement made by MAKRIS a few days ago in Parliament that the charge against him had supposedly collapsed and that nothing had been proven from this charge.

It is asked: How does it happen that the MERTEN charge against MAKRIS and DOXOULA has collapsed when no trial has intervened until today? It is obvious that MAKRIS is insinuating the first stage of the compromise which has resulted, by which he hopes that no trial will be held ultimately because if a trial had been held it would not have been certain if MAKRIS and his DOXOULA would have come out of this unscarred.

2. Sources of Information:

I had all the above information from Panos SOTIROPOULOS, distinguished lawyer, one time deputy and now BAKLATZIS legal counselor in the MERTEN affair. He received and receives knowledge of all information transmitted from Germany to BAKLATZIS, either from SEGELKEN or from NIKOLAIDIS, and he advises and directs BAKLATZIS accordingly.

b. From Ioannis MOSCHOPOULOS, diplomatic employee, embassy advisor, first class, who, because he knows German fluently, translates all pertinent correspondence from SEGELKEN as a favor for BAKLATZIS or translates from the Greek into German all of BAKLATZIS' correspondence with SEGELKEN, and who is fully informed on the entire affair. I had several reports from MOSCHOPOULOS himself which allows me to corroborate SOTIROPOULOS' information whose statements I do not always consider as accurate.

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c. But that which made me believe in all the things stated in the present report is: That Mr. KYROU of Estia also has similar information about the first stage of a compromise with MERTEN on the above basis from Germany but also from more positive sources in Greece. I got the facts of the present report from the information of these three sources.

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